

PEOPLE

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ESTABLISHED 1887

U.S. and Europe Dispute Lead Role in Aid to East

By Roger Cohen New York Times Service BUDAPEST — The tensions between the United States and Western Europe over who should take the leading role in the rebuilding of the former Soviet bloc resurfaced Sunday as Treasury Secretary Nicholas F. Brady said the European Bank for Reconstruction and Development was going beyond its mandate.



HEZBOLLAH REMEMBRANCE — Members of the pro-Iranian group Hezbollah, or Party of God, guarding Sheikh Mohammed Hussein Fadlallah, a Shiite religious leader, center, and the group's secretary-general, Sheikh Hassan Nassrallah, on Sunday in Nabi Sheet, Lebanon. They marked the 40th day after the killing by Israel of the Hezbollah leader, Sheikh Abbas Musawi.

Hard-Liners Lose Ground In Iranian Elections

Backers of Rafsanjani Seem Likely to Capture Control of Parliament

By Elaine Sciolino New York Times Service TEHRAN — In a display of disenchantment with the radical goals of Iran's 13-year-old revolution, supporters of President Hashemi Rafsanjani appeared Sunday to be headed for a landslide victory against their anti-Western rivals in national parliamentary elections, according to early returns.

Democrats Rallying to Clinton Despite Doubts About Candidacy

By Paul F. Horvitz International Herald Tribune WASHINGTON — Aides had supporters of Governor Bill Clinton of Arkansas sought over the weekend to consolidate his primary election gains, and there were signs that the candidate for the Democratic presidential nomination was making headway in closing party ranks.

Kiosk U.S. Warns Baghdad On Disrupting U-2s

WASHINGTON (AP) — Brent Scowcroft, the White House national security adviser, said Sunday that he would not rule out military action against Iraq if it tried to prevent U-2 reconnaissance flights now being carried out under United Nations auspices.

Hong Kong's Bull Market in Optimism

By Sheryl WuDunn New York Times Service HONG KONG — The wire fence between Hong Kong and China is as sturdy as ever, but it no longer seems to be much of a barrier.

Party Seems Over For Chief Executives

By Steve Lohr New York Times Service NEW YORK — It used to be so easy, so civilized, more a social ritual than a chore. The members of the corporate board would fly in the night before, dine with their old friend, the chief executive, sharing after-dinner brandy and camaraderie.

For Euro Disney, It's: 'C'mon Kids!

By Barry James International Herald Tribune MARNE-LA-VALLÉE, France — The \$4 billion Euro Disneyland complex opened its gates to the paying public on Sunday after five years of planning and preparation that turned an expanse of flat fields east of Paris into a fantasy world and a marketing extravaganza.



Michael Eisner, the Walt Disney Co. chairman, with Gorka Gallier, the first visitor to Euro Disney, and Mickey Mouse on Sunday.

The Latest in Dieting: Forget Twiggy, and Eat as You Please

By Molly O'Neill New York Times Service NEW YORK — To a growing number of diet-weary American women and to a vanguard of weight-loss professionals, the recent assessment of the National Institutes of Health confirmed something they already knew.

It is but another in a series of recent cases in which boards or big investors have pressed well-known chief executives to do everything from slim down their pay packets to retire, and done so successfully. Last month, the Chrysler Corp. board told Lee A. Iacocca that he could not stay on as chairman past his slated retirement date of Dec. 31. Despite his appeals to the board for an extension, and the company reported last week that Mr. Iacocca took a 35 percent pay cut last year, to roughly \$3 million in salary, stock and other compensation.

Vertical text on the left margin: PEOPLE, Jean Harris's... Leona's... Manned... Representative... IHT, FIRES, ALL SERVICE, DS., RECTORY, VTER, L, E, RAVEL, CES, Tribune.



# As Democracy Falls, Peru's Rebels Gain

By Eugene Robinson

**LIMA** — By the time the tanks rolled last week, Peru's government institutions had fallen into such a state of collapse and become so irrelevant to most Peruvians that the Shining Path insurgents, once little more than a bizarre sideshow, were being viewed by local analysts and United States policymakers as a real threat to the survival of the state.

Now that democracy has been suspended, many of these experts say, the threat is even more serious.

"You're not just playing away our institutions," said the economist and former government adviser Hernando de Soto of President Alberto Fujimori's decision to suspend the constitution, shut down Congress and rule by decree. Also at stake, he said, is "who's going to win this war in the end."

The prospect of a Shining Path victory, even if some still consider it remote, raises fears of a genocidal bloodbath. Fanatical and uncompromising, the insurgents are often compared to the Khmer Rouge in Cambodia under Pol Pot, whose rule in the 1970s led to more than a million deaths.

While most political leaders here attack Mr. Fujimori's move, they acknowledge that the public support he has received — some polls give him more than 70 percent support — owes to the fact that most Peruvians have long considered their government at best useless, at worst a millstone.

Peruvian judges routinely earned 5 or 10 times more in bribes than in salary. Army generals lived comfortably off insider business deals while recruits went without food and decent boots. Bureaucrats charged for process-

ing routine paperwork. Police officers extorted money from merchants, street vendors and motorists as a matter of course.

The three-quarters of the population living in extreme poverty saw their incomes plunge in recent years. Millions of urban poor live in shanties made of scavenged bricks, worm-eaten boards or grass mats. In the countryside, most peasants do not own their land and have no way to obtain title, meaning they have no access to credit or aid programs.

The issue of race festers just below the surface: The white elite lives in relative luxury, the brown-skinned majority sinks deeper into despair.

Some U.S. officials worry that the situation will worsen without democratic institutions to shape and constrain the battle against Shining Path.

The major fear is that Shining Path will grow politically, winning new converts and support. Over the past 12 years, Shining Path has grown from a small, ultraleftist sect based in the Andean city of Ayacucho into a spreading insurgency that led the government to place about half the country under a state of emergency.

Although there are believed to be fewer than 5,000 full-time armed fighters, U.S. officials believe the group has at least 25,000 active supporters.

Nearly 25,000 people have been killed by political violence since Shining Path's war against the Peruvian state began.

In Lima, the rebels have combined political agitation in the shantytowns around the city with a terror campaign aimed especially at institutions that represent the interests of the poor.

Last fall, guerrillas killed a woman who ran a feeding program in a working-class slum. On Feb. 15, they shot and killed the popular vice mayor of Villa El Salvador, Lima's largest shantytown, and then dynamited her body as friends and family looked on in horror.

A string of incidents like these has changed the atmosphere. Shining Path failed in its first two "armed strikes" in Lima — attempts to shut down the city for a day through intimidation. But the third, called for last Feb. 14, was a success.

The political violence thrives amid a society whose institutions, by almost all accounts, are failing.

"The corruption is something we all see, we all live, every day," Mr. de Soto said.

The courts are so inefficient that bribes are the only practical way to obtain prompt action. Through intimidation or incompetence, the courts have been releasing guerrilla suspects almost as fast as they are arrested.

The armed forces, until recently, had a better public image. But a retired army colonel who remains in touch with active-duty officers said there had been anger in the lower ranks over low salaries. Equipment is scarce and morale low. When Shining Path invaded the provincial seat of Puquio several weeks ago, soldiers at an anti-guerrilla army base on the outskirts of town did not leave their barracks.

Such institutional breakdown has already robbed the government of much of its legitimacy, especially in the eyes of the poor majority. Some critics of Mr. Fujimori's action say he has finished the job.

## AMERICAN TOPICS

### Statues of Lenin: Just 'a Lot of Bronze'

A New York art dealer who supported a handful of statues of Lenin from the Soviet Union for a song is offering them for sale, but so far has not had an offer that would defray his shipping expenses.

"It's a lot of bronze," says Paul Judelson of his two 15-foot (4.5-meter) Lenins manufactured at the state Plant of Art Castings in St. Petersburg but, overtaken by events, never delivered to the Soviet entities that commissioned them.

Mr. Judelson said he bought them to save examples of the Socialist Realist style from obliteration. He would not say how much he paid. He said he had received dozens of offers, none of them high enough. One came from a theme park in Dogpatch, Arkansas, devoted to cast-off metal monuments.

### About People

The columnist William F. Buckley Jr. notes that H. Ross Perot, with a fortune estimated at \$3 billion, has offered to put as much as \$100 million into a presidential campaign if he decides to run. This is about 3 percent of his capital worth, "which is about one-half of what that worth regenerates in one year, which means he'd be richer on election day than he is now, even having spent that money."

John Goodman, the actor who plays Roseanne Barr Arnold's husband on television, has the title role in "The Babe," a new film about Babe Ruth. Ruth was heavy, but Mr. Goodman is heavier still and had to lose 60 pounds (27 kilograms) to play the role. Speaking of weight, the Los Angeles Times says that one of baseball's enduring myths is that the New York Yankees adopted their traditional pinstripes to minimize Ruth's girth. In fact, the Yanks began wearing pinstripes in 1912, eight years before Ruth joined the team.

### Short Takes

Over objections from many physicians, the Florida legislature has passed a bill prohibiting doctors from sending patients to clinics in which the doctors have a financial interest. Other states are considering similar laws. The aim is to curb conflicts of interest and to control health costs. But many



**TUNNEL VISION** — A New York subway policeman testing night-vision goggles — developed for use on battlefields at night — to be used by the transit police in the subway's darker regions.

doctors say that when they own such equipment they can better control the quality of care.

### At 50, 'Casablanca' Returns to Theaters

"Casablanca" is being re-released 50 years after it won the Academy Award for Best Picture of 1942.

The director, Michael Curtiz, and script writers, Julius and Philip Epstein and Howard Koch, also won Oscars.

For the anniversary, The New York Times has recalled lines from a script with "more remembered dialogue than just about any other motion picture."

"Here's looking at you, kid" — Humphrey Bogart's toast to Ingrid Bergman.

"I'm shocked — shocked! — to find that gambling is going on here" — Claude Rains, the corrupt Vichy French police chief, as

he pockets his winnings from the roulette wheel in Rick's café.

"Round up the usual suspects" — Rains to his underlings.

"I'm not good at being noble, but it doesn't take much to see that the problems of three little people don't amount to a hill of beans in this crazy world" — Bogart to Bergman.

"We'll always have Paris" — Bogart's farewell to Bergman.

The words, "Play it again, Sam," do not occur.

Bergman tells Dooley Wilson, the pianist at Rick's café: "Play it, Sam. Play 'As Time Goes By.'"

Later, a melancholy Bogart commands: "You played it for her. You can play it for me. If she can stand it, I can. Play it!"

Arthur Higbee

## On Noriega Jury: Prayers, Hymns, Pleas

By William Booth and Michael Isikoff

**MIAMI** — Jurors trying Manuel Antonio Noriega wept, prayed, sang gospel hymns and pleaded with a lone holdout to agree on a guilty verdict during a four-day ordeal that one juror described as a highly emotional battle of wills.

The holdout adamantly believed that the ousted Panamanian leader was not guilty of drug and racketeering charges, while another wavered, struggling for two days to find "the missing links" that would tie Mr. Noriega to the kingpins of Colombia's Medellín drug network, according to one of the jurors, Jean Hallisey.

Recounting the 35 hours of deliberations during an interview in North Miami Beach, Ms. Hallisey, 63, a business executive, said the panel was so exhausted and frustrated by the stalemate that the foreman, Lester Charlie Spencer, considered telling Judge William M. Hoeweler of U.S. District Court that there was no hope of unanimity.

"It almost happened," said Ms. Hallisey, speaking of a possible mistrial in the seven-month case

had the deadlock not been broken. "They wanted to get up and walk out. I said: 'The whole world is waiting for this verdict. President Bush is waiting for this verdict. How can you say you want to go home?'"

Another juror, Thelma Sturdivant, a retired car mechanic, said: "There was one little moment that I could say we were close to a mistrial, not from my personal point of view but because there was somebody who had trouble understanding what was going on with the law."

Ms. Hallisey identified the holdout as Bernadine Cooper and said that several of the eight other women and three men on the jury worked to persuade Ms. Cooper that Mr. Noriega did allow the Medellín cartel to operate freely in Panama.

At one point, Ms. Hallisey said, several female jurors prayed with Ms. Cooper in the Everglades Hotel where the jury was sequestered during deliberations.

"She was voting not guilty on everything," Ms. Hallisey said of Ms. Cooper, who could not be reached for comment.

Ms. Hallisey said that another

juror, James Michael Hogan, 31, a laid-off fire protection officer at a nuclear power plant, was also leaning toward a not guilty verdict.

Mr. Hogan declined to discuss details of the deliberation, but, in a handwritten statement, said: "I would like to address the misconception that there was a holdout juror. I can assure you there was not. There were some points which many of us questioned, and therefore asked his honor for more information and guidance."

At one point, Ms. Hallisey said, the vote on the most serious counts against Mr. Noriega was deadlocked at 10 to 2 for conviction, a stalemate that threatened to result in a mistrial. This would have meant that the government might have to retry the case.

The jury of nine blacks, two whites and a Filipino American had to sift through six months of testimony by 79 witnesses, most of them Colombians and Panamanians testifying in Spanish. Listening to English translations, jurors took copious notes in green notebooks provided by the court.

When the jurors began voting, Ms. Hallisey said, they unanimously opted for acquittal on what they

considered the weakest of the 10 counts: two charges dealing with an attempt to smuggle cocaine into the United States aboard a vessel called the Krill and distribute it.

As deliberations continued, jurors said, a consensus began to emerge that Mr. Noriega was guilty of the other charges.

But Ms. Cooper would not change her mind. On Tuesday, Ms. Hallisey drafted the note to Mr. Hoeweler that read in part: "Apparently, there is a juror who testified that their mind was made up two days ago before entering this room. We are deadlocked. We feel we are wasting time."

The note alarmed prosecutors and, in a court hearing, Judge Hoeweler implored jurors to try harder. After deliberations resumed, Ms. Hallisey said, attention turned to Ms. Cooper. Ms. Sturdivant said the foreman kept reading the instructions to the jury over and over again until he could barely speak.

According to Ms. Hallisey, Ms. Cooper finally yielded Thursday, saying something like: "I see what it's all about. I understand. He was really wrong. That man should go to prison."

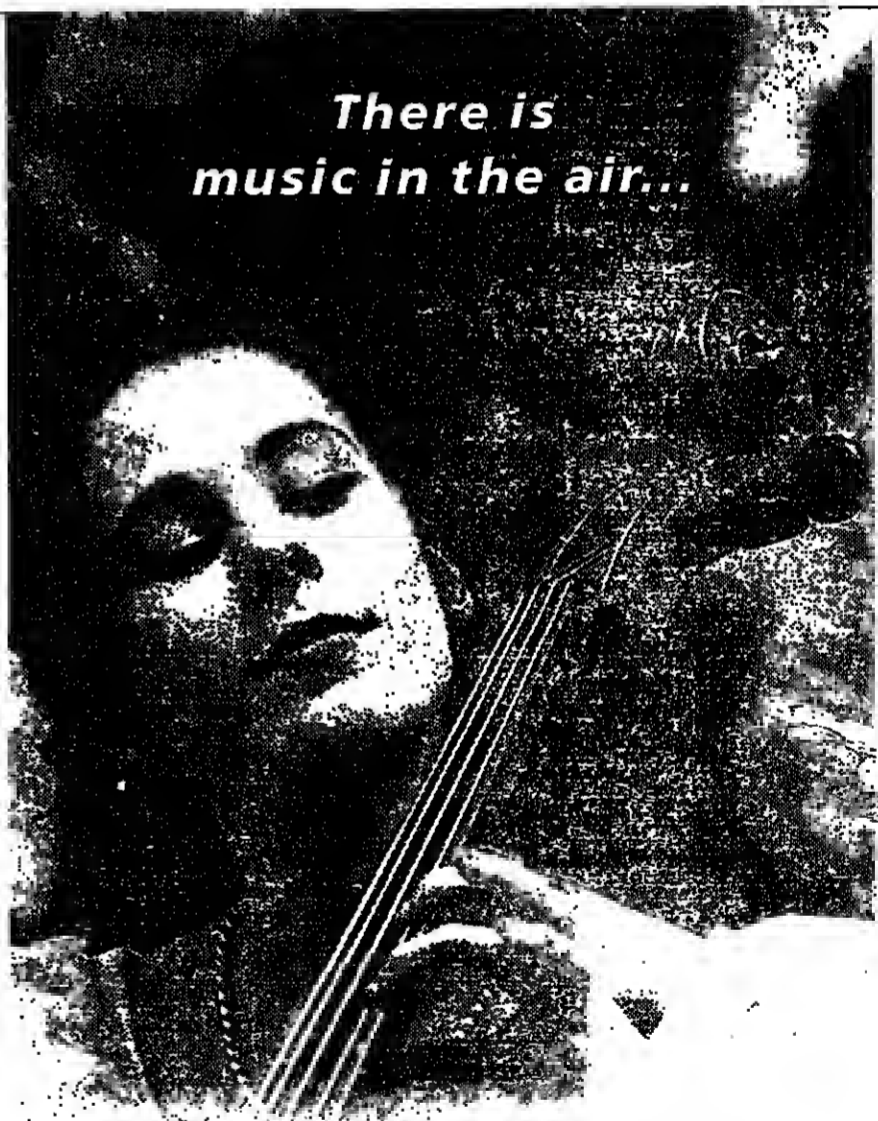
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# Sanctions Near, Libya to Close Down

**The Associated Press**  
**TRIPOLI, Libya** — Libya announced Sunday that it will sever all contact with the outside world for the 24 hours before United States sanctions take effect in a confrontation over the bombing of Pan Am Flight 103 in which 270 people died.

Arab leaders, meanwhile, continued efforts to find a way to head off the sanctions, which would include embargoes on arms sales and commercial air traffic to Libya.

The official press agency JANA said Libya would cut all international travel and communication links Tuesday as a sign of mourning for a 1986 U.S. air strike that killed 41 Libyans.

The United Nations Security

Council has given Libya until Wednesday, the sixth anniversary of the U.S. air raid, to surrender two men suspected of being intelligence agents. The men are charged in the bombing of a New York-bound Pan American World Airways jet in 1988 over Lockerbie, Scotland.

The Libyan leader, Colonel Muammar Gadhafi, apparently chose to observe the air raid anniversary a day early to avoid having his gesture overshadowed by the UN sanctions.

The Security Council is demanding that Libya surrender the two Lockerbie suspects for trial in the United States or Britain and produce proof it has renounced all forms of terrorism. The council

also wants Tripoli to cooperate with France in trying four other Libyans accused of killing 171 people in the 1989 bombing of a French airliner over Niger.

Libya has agreed only to turn over the Lockerbie suspects to a neutral country, an offer rejected by the West. Colonel Gadhafi denies the men or his government had any role in the bombing.

Libya's foreign minister, Ibrahim Bishari, met Saturday with the United Nations secretary-general, Boutros Boutros Ghali, in Geneva and said he had offered proposals for ending the standoff.

JANA said President Hosni Mubarak of Egypt arrived Sunday to meet Colonel Gadhafi.

Mr. Mubarak, a close ally of the

West, has been trying to defuse the crisis through mediation. But Egyptian officials have indicated many times that there is little Cairo can do unless Libya surrenders the suspects.

Elsewhere, the foreign ministers of seven Arab nations planned to meet in Rabat late Sunday to seek an end to the confrontation. The committee was created by the Arab League last month in an effort to avoid an escalation of tensions in the region.

Washington said the raids on Tripoli and Benghazi were in retaliation for Libya's involvement in the bombing of a Berlin discotheque frequented by U.S. soldiers. Two people were killed and 200 wounded in that attack.

# Is Israel Now 'Executing' Palestinians?

**By Clyde Haberman**  
**New York Times Service**  
**JENIN, Israel** — A Jewish settler in the West Bank — as a fruit-stand owner in the outdoor market — was the man who was leaning against a wall drinking juice when he suddenly called out to Bassim Fadi Shaban, who was standing nearby.

The fruit vendor recalls two men. Another merchant in the market says there were three.

Either way, their versions of what happened next that morning last November are essentially the same: The men shouted "Bassim!" and drew pistols. Then they ran up to Mr. Shaban and shot him at point-blank range. Then, according to these accounts, they finished him off, firing repeatedly at him as he lay on the ground.

The gunmen were agents of an Israeli undercover army unit working in the occupied territories. Mr. Shaban, 24, was on their wanted list as a member of the Black Panthers, an armed and violent Palestinian group affiliated with El Fatah, the main faction of the Palestine Liberation Organization.

His death is typical of at least three dozen cases over the last 18 months in which Israeli undercover units in the territories have killed wanted Palestinians under disputed circumstances. These cases have begun to be studied with new intensity by Israeli, Palestinian and foreign human rights observers.

After several more such deaths in mid-March, Palestinian leaders asserted that these units were carrying out "summary execu-

tions." That, witnesses here in Jenin say, is how they view what happened to Mr. Shaban.

"There was no need to shoot him like that," said the fruit vendor, who refused to give his name. "If they wanted to catch him, they could have. He didn't even have time to think."

This is not how the Israeli Army tells the story. It readily acknowledges that undercover soldiers dressed in civilian clothes killed Mr. Shaban, whom they had been trying to arrest for awhile on murder charges. But senior officers insist that he was armed and that he ignored a lawful order to halt. The agents, they say, used reasonable force to stop him.

In almost all the disputed cases, military authorities say that proper procedures were followed against armed and dangerous men, while Palestinian witnesses insist the men offered no resistance and could easily have been arrested instead of gunned down.

Sometimes, the Israeli agents appear to have made fatal errors. In Jenin recently, a man identified as Muhammad Turqan, 28, was killed when a bullet was fired into his head from a few meters away as he sat in the backseat of a taxi. When the undercover soldiers checked his identification papers, Israeli news reports say, they discovered that they had gone after the wrong man.

In most cases, however, even Palestinian leaders do not argue that those killed were innocents. Many belonged to the Black Pan-

thers, which is conspicuously strong in Jenin and Nablus, both centers in the northern West Bank, and which has waged a death campaign, in particular, against Palestinians accused of collaborating with Israel.

But Palestinians assert that the agents are shooting on sight, with no questions asked.

"Instead of arresting activists against the occupation, the Israeli authorities are conducting a campaign to kill them," said Faisal Husseini, a Palestinian leader in East Jerusalem. He asserts that 18 Arabs in the Occupied West Bank and Gaza Strip have been killed this way in the last four months.

Israeli officers do not dispute the numbers, although they say that some cases are still under investigation. But they reject out of hand the accusation that the special units are hit squads licensed to kill.

"Israeli soldiers have orders to capture those people, no matter how much blood they have on their hands, to put them on trial," said Lieutenant Colonel Moshe Fogel, an army spokesman.

Despite the denials, and evidence that other wanted Palestinians are indeed arrested and not shot, human-rights groups have expressed concern. The State Department, in its most recent human rights report, said that in 1991 "nonmilitary personnel are known to have killed 27 Palestinians, many of whom were unarmed but were generally either wanted, masked or fleeing from authorities after writing graffiti."

# Republics at Odds on START Treaty

**New York Times Service**  
**MOSCOW** — Officials from four members of the Commonwealth of Independent States, the successor to the Soviet Union, with strategic nuclear weapons on their territories have reportedly failed to resolve differences that have held up compliance with the Strategic Arms Reduction Treaty with the United States.

The officials — the foreign ministers of Russia, Ukraine and Kazakhstan and the deputy foreign minister of Belarus — met for eight

hours on Saturday, but they failed to agree how to meet the obligations assumed by the former Soviet Union when Mikhail S. Gorbachev signed the treaty with George Bush last August.

The treaty calls for a 30 percent cut in long-range missiles. The United States would like the former Soviet republics to act as a single entity. But Ukraine in particular has insisted on being treated as a separate state.

"We are not speaking of the emergence of a new nuclear state,"

said the Ukrainian foreign minister, Anatoli Zlenko. "But each state wants its share of the responsibility for this treaty."

The officials said the issue would be turned over to experts for further study.

Ukraine, which says it wants to get rid of all nuclear weapons on its territory by 1994, has also suspended the transfer of short-range nuclear weapons to Russia for destruction, arguing that it has no guarantee the weapons are being destroyed.

# Kravchuk Sees a Short Life for CIS

**MOSCOW** — President Leonid M. Kravchuk of Ukraine, locked in a bitter dispute with Russia over nuclear weapons and warships, has predicted an early death for the 11-member Commonwealth of Independent States.

"In its present form, the Commonwealth will not live long," Mr. Kravchuk told Interfax news agency in an interview published Sunday. "It will simply not be able to survive."

"Perhaps," he said, "we are not mature enough to understand correctly the Commonwealth concept itself. Only stable and orderly states can understand it."

Mr. Kravchuk said that the question of who controlled nuclear weapons on Ukrainian territory was a clear example of the failure of the Commonwealth to set up reliable mechanisms to handle contentious issues.

"The joint armed forces are a serious problem for the Commonwealth," he added. "I, the leader of an independent state, am nobody for the supreme command of the joint armed forces."

"I personally think the main thing is that the Commonwealth implements its own decisions without creating the subordinate structures to do it," Mr. Kravchuk said.

# Russia Trying to Elude Crisis

**After Yeltsin Setback, Search for a Compromise Starts**  
**By Michael Dobbs**  
**Washington Post Service**  
**MOSCOW** — Russia's reformist government explored a possible compromise on Sunday with the parliamentary leadership to avert the threat of a political crisis Monday after a setback to the authority of President Boris N. Yeltsin.

Government and parliamentary leaders said they had succeeded in narrowing some of their differences after a vote in the legislature on Saturday that would force Mr. Yeltsin to resign as acting prime minister by the end of July.

Yegor T. Gaidar, who is widely regarded as the architect of Russia's free-market policies, told reporters that he was not sure that the compromise measures worked out with parliamentary leaders would succeed in saving his economic program. In that event, he said, the government would step down.

Mr. Yeltsin's supporters predicted that the vote would lead to the reversal of the shock therapy program started in January.

"We took a realistic look at the situation and agreed on coordinating our actions so as not to paralyze the implementation of reforms," said Mr. Gaidar, after a meeting with parliamentary leaders.

Under the Russian political system, which was inherited from the former Soviet Union, the Congress of People's Deputies has the right to control the government and confirm and dismiss ministers.

The Yeltsin camp argues that the Congress is a brake on reforms and would like to replace this system with an American-style presidential system, separating the executive and legislative branches.

When the Congress reconvenes on Monday, Yeltsin supporters are likely to urge deputies to reconsider the Saturday vote restoring legislative control over the government by the end of July. If parliament refuses to take such a step, the government will probably call for a referendum on constitutional changes that would involve fresh elections.

Conservatives in the Congress, the supreme Russian legislature, succeeded Saturday in pushing through a resolution that would in effect deprive Mr. Yeltsin of direct control over the government by July. The vote appears to have been the last straw for government ministers already upset about the gradual dilution of the economic "shock therapy."

By reacting so sharply to the vote, Mr. Gaidar and his team of youthful economic policymakers appeared determined to bring their long-running test of strength with the conservatives to a climax. Their calculation is that it will be easier to win a showdown now, when popular support for Mr. Yeltsin is relatively high, than in a couple of months when living standards are most likely to decline still further.

The radicals may also be trying to force Mr. Yeltsin, 61, to take a firm stand on the issue of economic change. After sitting stone-faced through the first five days of the Congress, and apparently orchestrating a compromise resolution Friday that would have extended the government's term of office un-

til the end of the year, Mr. Yeltsin was absent during the Saturday session.

In the last month, the government has been forced to abandon its pledge to achieve a balanced budget and has begun bailing out thousands of state-run enterprises that would otherwise have gone bankrupt.

The reform camp suspects that the 683-to-123 vote on Saturday to force Mr. Yeltsin to step down as acting prime minister within three months was designed to topple the government and reverse the course of the change. They are aware that the unpopularity of such measures as the end of most price controls would make it practically impossible for them to survive without Mr. Yeltsin's protection.

# Ararat Back at Work, Undeterred by Doctors

**TUNIS** — Yasser Arafat, leader of the Palestine Liberation Organization, went back to work Sunday, leading his first political meeting since he survived a desert air crash last week. PLO sources said.

Ignoring his doctors' orders to stay in bed, Mr. Arafat, 62, took part in a meeting of the PLO executive committee in Tunis. Three crew members were killed Tuesday during the crash-landing of Mr. Arafat's plane in a sandstorm.

# Bush to Attack Use by Unions of Nonmember Fees

**New York Times Service**  
**WASHINGTON** — In a move long sought by conservatives, President George Bush will soon take steps to prevent labor unions from using money collected from non-union workers for political activities that those workers oppose.

The measures are intended, in part, to limit the activities of unions in support of Democratic candidates this year.

Labor leaders vehemently oppose the restrictions, saying that the rules will impose an undue accounting burden by requiring unions to keep detailed records of spending in different categories. They also say that Mr. Bush is pandering to the right wing and that his plan would impede unions' legitimate political activities.

In a speech planned for Monday, Mr. Bush will describe his actions as a way to enforce a 1988 Supreme Court decision that held that workers who choose not to join a union may not be required to pay for any union activities other than collective bargaining and representation on labor-management issues.

White House officials estimate that the president's actions will eventually keep \$2.4 billion a year out of union coffers.

# Pakistan Restarts Executions

**KARACHI, Pakistan** — A man convicted of murdering his wife and her parents was hanged Sunday in the first execution in Pakistan in six years, after Prime Minister Nawaz Sharif's decision to restore the death penalty, which had been suspended since 1988.

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INTERNATIONAL **Herald Tribune**

**Stop the War in Bosnia**

Just when almost everyone thought the worst was over in Yugoslavia, the conflict threatens to surge into its bloodiest stage. This could happen in Bosnia-Herzegovina, where, ironically, Muslim-Serbian-Croatian coexistence has created a degree of integration that makes the republic particularly vulnerable to a violent sorting out. A desperate and enlightened Muslim leadership had sought to save Bosnia by moving to independence and offering a full palette of personal and community rights. But at Germany's insistence, Europe prematurely recognized breakaway Croatia (and Slovenia) and then, unfortunately with American complicity, Bosnia itself. The sequence at once emboldened Croatia and released Serbia to start carving up Bosnia. That is what is under way now. The reckless Serbian Milosevic government in rump Yugoslavia is inciting a Serbian-dominated Yugoslav army and Serbian irregulars to "liberate" Bosnia. Serbs ostensibly threatened with "genocide." This in a place, Bosnia, that unlike Croatia is not alarmed by its (31 percent) Serbian minority but has favored it. Meanwhile, Croatia's Tudjman government, even though it has recognized an independent Bosnia, seems obsessed with annexing a western hunk of it.

**Britain Prefers Caution**

**A Vote Against Taxes**  
"Britain Set for a Hung Parliament With Labor the Biggest Party," promised the headline in *The Sunday Times* in London. But polls and pundits proved fallible. In last Thursday's elections, Conservatives won a fourth straight victory, albeit with a parliamentary margin shaved from 86 to 21 seats. The clear message is that Britons trust Prime Minister John Major more than the Laborite Neil Kinnock — especially on taxes. That Mr. Major won despite Britain's worst recession since the 1930s will doubtless cheer President George Bush. For democracy suggests that anyone like Mr. Kinnock who dares say that better schools or improved health care have real costs will be punished. The likable Mr. Major confounded detractors who said he lacked the ideological fire of his formidable predecessor, Margaret Thatcher. She offered only the faintest blessings to her chosen successor, in part because she dumped her unpopular local property tax, known as the poll tax. He successfully gave his party and cause a more human face. He spoke compassionately about the jobless. Hard-liners vanished from his cabinet, and

**Unlike the Continent**

Opinion polls sometimes swing elections rather than merely forecast them. That may have happened last week in Britain, where most polls consistently predicted a mess in which no party would have a majority to govern. Voters remember the last hung Parliament, in 1974, as the beginning of a very bad time — political chaos, soaring inflation, a growing sense of national decline. Some of those voters apparently responded by changing their minds and deciding, in the end, to stick with what they had. As a result, Britain is now the only one of the four major countries of Western Europe to have a government with a firm political footing and an assured future. The Conservatives won a modest but serviceable majority — the fourth consecutive victory for a party in power since 1979 — and Prime Minister John Major will lead it with the authority that a personal triumph confers. It was an uphill struggle. The Conservatives were showing signs of the exhaustion that long tenure brings, and the country has been going through a severe recession with high unemployment. But a cloud of mistrust continues to hang over the Labor Party and its intentions regarding taxes. That mistrust has kept Mr. Major in office. Once again the British are clearly march-

**Other Comment**

**A Job for Britain's Superman**  
So John Major turned out to be Clark Kent after all. The unassuming man with glasses, dismissed as a boring wimp by his enemies, written off by much of the press and already being plotted against by some of the Tory hierarchy, went into the polling booth, turned round and came out a Superman. Against the odds, and to many people's surprise, he had won convincingly. A fourth Tory term was in the bag for the first time in 180 years, the Labor Party had been soundly beaten yet again — this time in a recession. Mr. Major has won a famous victory which confirms Britain's future as a modern market economy and makes it improbable that the country will ever again have a socialist government. There is a basic decade about the man, and much of what he stands for is what Britain needs in the 1990s: continued progress toward a more vibrant, dynamic market economy and radical reform to improve the public services. John Major's task is clear: to turn the British economy into the Hong Kong of Europe, while the rest of Europe lurches itself with Brussels's social charter, and to use some of the wealth created by such an economy to build the best health and education systems in the world.  
—*The Sunday Times (London)*

**Trouble if Bush Isn't Green**  
What hope is there for the Earth Summit in Rio de Janeiro in June if the United States remains lukewarm in its attitude? Eighty percent of the world's people are in developing countries, yet it is the United States that holds the trump card. Third World countries have the capacity to work together on their own to improve their environment, but it is a global effort that is needed simply because industrial states remain the largest polluters and have the largest purses. But insincerity about resolving environmental problems abounds in the North, as was clearly evident in the recent preparatory meeting in New York of the United Nations Conference on Environment and Development. Some 50 countries will meet in Kuala Lumpur later this month to map out their common strategy for the Earth Summit. Will it turn out to be an exercise in futility? There is no alternative to getting Washington to take a more serious position on the environment. As it is, its official position paper pays little attention to one of the main goals of the Earth Summit — sustainable development. It is a pity that such a dog-in-the-manger attitude is robbing the world of a one-time opportunity to save itself.  
—*Business Times (Kuala Lumpur)*

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**Public Spending Has Its Role in a Pragmatic Society**

By William Pfaff

PARIS — The election in Britain, like the presidential primaries in the United States, posed an important debate on the role of the state in the economy. For the last 15 years, monetarist and supply-side market economic doctrine has dominated policy-making in both countries. If John Major's new government in Britain, with the interventionist Michael Heseltine in the important post of minister of trade and industry, and the next U.S. government, in the eventuality of a Democratic victory, move to a more interventionist approach and increase public infrastructure investment, it will have an important international effect. The other major West European governments and Japan already practice a degree of state economic interventionism condemned by Reaganite and Thatcherite theorists and politicians. As these countries today have the more successful economies, the intellectual battle is being won on the playing field — or shall we say, in the marketplace. You would think it common sense that good public health and education, and roads, railroads and other forms of public infrastructure, unprofitable in themselves, nonetheless generate wealth indirectly. A recent U.S. study concludes that industrial productivity growth was highest from 1960 to 1973 in exactly those countries which had the highest rate of nonmilitary public infrastructure investment: Japan, West Germany, France. From 1974 to 1989, the overall correlation was less marked, but the United States had the lowest percentage of GNP spent on public investment and the lowest level of productivity increase. Alan Achenauer (in the *Journal of Monetary Economics*) says that global U.S. productivity (labor plus capital) grew by 2 percent annually in the 1950s and '60s but by only 0.8 percent in the 1970s and early '80s. At the same time, growth in nonmilitary public investment fell from 4.1 percent to 1.6 percent. He sees cause and effect in this. An economist at the French national statistical institute argues that a direct relationship also exists between productivity and the level of skilled labor employed in industry. The 10th of French industry that employs the highest level of unskilled labor is the least productive. The 10th employing the most highly qualified

labor is the most productive. Education and training equal productivity. All this is why Germany is investing so heavily in public infrastructure in East Germany, and why investment in education is so high throughout continental Europe and in Japan. The United States and Britain, however, have for more than a decade neglected highways, railroads and airports, insisting that whatever industry needed the market would motivate industry to build. Britain still has not even begun to build the rail line for high-speed traffic on its side of the Channel Tunnel. Market doctrine has also held that privatization in Eastern Europe and the ex-Soviet Union would cause market forces to revitalize economies and generate growth. However, growth is slow in coming. It is relatively easy to privatize commerce — shops, restaurants, etc. The main streets of Moscow now are lined with people buying and selling. But they are not producing. Productive enterprises are hard to privatize when their plant is obsolete, unproductive, and they produce goods uncompetitive on international markets. Who would want them? Yet they provide employment and thus have a social value. They also have a political value in the negative respect that closing them and suggesting unemployment is politically destabilizing. For this reason the East German government responsible for East German privatization, the Treuhandsanstalt, has been very cautious in demanding that those who buy up former state enterprises guarantee continuing investment and job protection. This has earned it criticism from such ideologically committed journals as *The Economist*, which protests that to combine "social policy and industrial policy together in one institution" jeopardizes both. There also is a political cost in selling enterprises to Western buyers. The public risks seeing this as industrial abdication — "selling off the family jewels," as Harold Macmillan once said of Margaret Thatcher's privatizations in Britain. Moreover, even when the buyer

**A U.S. Scenario: Stagnation Until Our Eyes Open**

By Gar Alperovitz

WASHINGTON — As the U.S. economy continues to send contradictory signals, a disturbing question arises: Is it conceivable that America has entered a period of long-term stagnation? If so, the kinds of policies needed to get it out of the economic doldrums, and the political reappraisal needed to bring policymakers to consider them, are likely to be far more wrenching than most Americans are yet willing to contemplate. In 1990, median household income adjusted for inflation was \$1,000 less than 17 years earlier. From 1977 to 1988, average wages and salaries of the bottom 90 percent of the population fell by 3.5 percent. Wages for a male high school graduate entering the job market in the late 1980s were 18 percent lower than in the late 1970s. The idea that the United States may be confronted with ongoing stagnation is not something that experts have been willing to talk openly about. Most economists continue explicitly or implicitly to suggest that America's troubles derive from a recurrent cycle of recession and upswing that is "normal." The current conventional wisdom did not always hold sway. During the 1930s many eminent scholars concluded that the "normal" state of the U.S. economy was neither a hopeful trend of steady growth nor a regular pattern of up-down

**British-U.S. Election Linkage? Any Omens Are Hard to Read**

By E. J. Dionne Jr.

WASHINGTON — There is nothing like a surprise election result to force the chattering classes to eat their words, throw away their talking points and sputter in embarrassment in search of new arguments. The triumph of the Conservatives in last week's British elections has caused many a case of verbal indigestion. Just a few days ago, when it looked as if the Labor Party would win, Democrats and liberals in the United States were ready with a slew of proclamations: Reagan-Thatcher conservatism was to be pronounced dead, social reform was the wave of the future, George Bush had better watch out. Republicans and conservatives were ready with counter arguments of their own: George Bush was not John Major, the compatibility of British and American values was a myth, and Bill Clinton simply did not have the time to rehabilitate himself the way Labor Party leader Neil Kinnock did over many years. Suddenly the tables are turned. Democrats are now a bit more sympathetic to the argument that what happens in Britain does not necessarily happen in America; Republicans are more eager to see worldwide trends that they once proclaimed a myth. Having eaten some words of their own in the last few days (and also lost a bet), I am sympathetic to those now scrambling for new sound bites. Since the Conservatives won, the conservative case is the easiest to make. • John Major really is like George Bush. After all, what is Mr. Major except a "kinder, gentler" Margaret Thatcher? He readjusted conserva-

business waves. Some detected very long periods of depression or stagnation. If the "normal" state of the economy is judged to be recurrently stagnant, what must be done, of course, is not economic difficulty but temporary periods of prosperity. A good deal of research has suggested that previous economic booms were caused by unusual technological developments such as the advent of the railroad, population growth, territorial expansion or large-scale city construction efforts. In this century, the most important source of such compensatory stimulus has been government — especially military — spending. Some observers, for example, have pointed to a norm of American economic difficulty during the first quarter of the 20th century — until war-related exports, together with World War I spending, jolted the system out of near-depression between 1910 and 1914. Stagnation theories again enjoyed influence after the failure of the New Deal's first burst of economic programs, especially during the 1937-38 recession within the Depression. And once again a world war intervened to rescue the economy. War

**A Middle Class With Private Concerns**

By Anthony Lewis

BOSTON — Any Democrat who thinks it will be easy to beat George Bush because America is in a recession should look at the British election results. Economic misery is worse in Britain and has been going on far longer, yet the Conservatives, in power for 15 years, won again. Why? Of course there are many reasons for the Tory victory. But first among them, I am convinced, is that millions of Britons are now middle-class property owners, more interested in raising their own living standards than in alleviating public squander. In London during the campaign, the Independent published a series of articles by well-known persons on how they would vote. Sir Claus Moser, warden of Wadham College, Oxford, said he was for Labor because of its "caring attitudes" on health, education and poverty. He continued: "I'm looking for a government which cares crucially about our public services. Our general infrastructure is appalling and compares poorly with Europe, as everybody who travels there. I look to Labor to give top priority to these, even if this does mean somewhat higher taxes... I put all that higher than personal wealth." Sir Claus was right about run-down public services in Britain — dirty

streets, delayed subways, a struggling National Health Service. But he was evidently in a minority in being willing to pay for improvements. As the campaign began, Labor's chief economic spokesman, John Smith, published detailed economic plans. A Labor government, he said, would increase spending on the Health Service and other public needs, and pay for it by raising taxes on "the rich." But the tax increases he outlined covered many who did not consider themselves "the rich." There would be increases on anyone earning over the equivalent of about \$37,000 a year. The maximum income tax rate, on incomes over about \$70,000 a year, would rise from 40 to 50 percent. The Conservatives spent much of their campaign denouncing those tax plans, and the strategy worked. In exit polls many voters said they were troubled by Labor's tax proposals. Mr. Smith, in short, paid for his honesty. He and others in the Labor Party may have learned what George McGovern did when he made his proposal in 1972 to tax away all inheritances over \$500,000. Only a small percentage of Americans would have that much to leave. People who are not rich may nevertheless hope to do better — and not want the government to take it. Another reason for Labor's disappointing showing was undoubtedly the historical baggage the party carries. Neil Kinnock, its leader, has done a remarkable job in purging its extreme left, but voters still remember the Marxist rhetoric and the excesses of union power. Perhaps it will just take time, and a new party leader, to give Labor the modern look of a European social democratic party. History has also helped the Conservative Party by dividing its opposition. Before this century, it was Conservatives versus Liberals. Then the Labor Party became the dominant force on the left. But the Liberals and successor parties, now the Liberal Democrats, continue to compete. Because of Britain's voting system, with the winner in each of 651 districts going to Parliament, a third party gets few seats. Most of its votes, scattered around the country, are wasted. This is how the parties did last week in percentage of the popular vote and in the number of seats won: Conservatives 42 and 336, Labor 34 and 271, Liberal Democrats 18 and 20. The Liberal Democrats want to change the voting system to proportional representation, which would have given them about 117 seats. There will be increased pressure within Labor to support that profound change. For without some competition with the Liberal Democrats, Labor may have little chance to win. The election, finally, was a personal triumph for Prime Minister John Major. He took over a timid and ambivalent party from Margaret Thatcher. Perhaps now, free of her ghost, he will be able to produce a government more competent in economics and less negative in its most important policy: toward the European Community. *The New York Times*.

**1892: Literary Gathering**

PARIS — M. Emile Zola presided at the second dinner of the *Flamée*, held in the Latin Quarter last night. The president declared his passion for everything that could help in advancing towards the ideal, however advanced or even mad that something might be. Parisian literary Bohemia was fairly well represented by MM. Aurélien Scholl, Verlaine, Toudouze, Pappas, Willy, A. Boutique, Jules de Martilly, Léon Rictor and Léon Dechamps, director of the *Flamée*. **1917: For Conception**  
NEW YORK — After two years passed without meeting, says the *New York Herald-Tribune*, Washington correspondent, Mr. Theodore Roosevelt and President Wilson yesterday (April 11) buried the hatchet. The President's magnanimity shook the hand of the man who has been his bitterest critic. From now on they will unite their forces with the object of

**1942: 'Fierce Air Fight'**

LONDON — [From our New York edition:] The Royal Air Force got into "some of the fiercest air fighting since the Battle of Britain" on a bombing sweep today (April 12) against the railway yards at Eisenbrunn, in northern France, and indications were that losses in aircraft were being relatively heavy on both sides. The British acknowledged the loss of one bomber and 13 fighter planes in the thick of the numerous dogfights that developed when the R.A.F. encountered German planes in force. Two British fighter pilots bailed out and were reported to be safe.

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Dollar Straights

Issuer Cpt. Mat. Price Yld. Trv.

Governments/Supranationals

Table of bond prices for governments and supranationals, including entries for Africa, Asia, Europe, and Latin America.

Global Corporates

Table of bond prices for global corporates, listing various international companies.

Banks & Finance

Table of bond prices for banks and financial institutions.

Floating Rate Notes

Table of floating rate notes, including Deutsche Marks and Pounds.

Dollar Zeros

Table of dollar zero bonds, listing various issuers and terms.

High Yielding Debt

Table of high yielding debt securities.

Dollars

Table of dollar-denominated bonds.

Eurus

Table of Euro-denominated bonds.

NEW YORK (AP) - The following bonds...

Table of New York bond prices, including various government and corporate issues.

MUTUAL FUNDS

Figures as of close of trading Friday, April 10.

Table of mutual fund prices and performance metrics.

NEW YORK (AP) - The following bonds...

Table of New York bond prices, continuing from the previous section.

(Continued on next page)





New International Bond Issues

Table listing various international bond issues with columns for Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes entries like BBL Coyman, Companhia Petrobras, and various European and Asian issuers.

What Follows the Markets' Roller-Coaster Ride?

For Bonds, the Fear of Inflation Lingers

For Bonds, the Fear of Inflation Lingers. Compiled by Our Staff From Dispatches. NEW YORK — The U.S. Treasury market appears balanced between expectations of weak economic data and lingering uncertainty about inflation...

There is no strong sense of market direction, said Robert Falconer, senior economist at Aubrey G. Lanston & Co. "Expectations are for favorable data. Retail sales, auto sales, and industrial production give us a positive bias at the start of the week. But investors are comfortable wherever they are," he said.

U.S. CREDIT MARKETS

auto sales, and industrial production give us a positive bias at the start of the week. But investors are comfortable wherever they are," he said. Most of that data is expected to show a slow economy, good news for bond traders in that it minimizes chances of accelerating inflation and rising interest rates.

March U.S. retail sales will be released Tuesday, and are expected to fall 0.4 percent. Also Tuesday, the report of car sales for the April 1-10 period is expected to show a slippage to a 6.0 million annual rate. Industrial output figures are due Wednesday and are seen rising just 0.2 percent.

All this data, however, comes after the surprise news on Friday that consumer prices had risen 0.5 percent in March. Although many experts dismissed this apparent burst of inflation as a quirk caused by ill-

Stocks Keep Faith In Fed's Easy Stance

NEW YORK — You want action? You want quick profits? You want embarrassed market analysts? Just step right up and place your bets. Anybody can win. All you need is timing, or luck.

The world's financial markets may not be quite ready to hire carnival touts, but they might as well. The action last week may seem more familiar to denizens of Las Vegas than to readers of treatises on the efficient market theorem.

In Tokyo, the Nikkei stock average fell 11 percent in four days, then gained most of it back in one session. In New York, the Dow Jones industrial average had its worst day of the year but ended the week up 6.26 points, at 3,255.37.

The turnaround came after the Federal Reserve cut its target for the federal funds rate, the rate on overnight loans of reserves among U.S. banks. That sparked buying in New York, and the New York recovery encouraged Tokyo. If you wonder why letting banks borrow for a quarter-point less is the cure for all ills, then you are not in tune with the dominant belief that has sustained U.S. share prices for much of the past year.

People believe that the Fed, with its \$311 billion balance sheet, has the power to right the world's wrongs," said Jim Grant, editor of Grant's Interest Rate Observer. The prospects for economic recovery might

EC Seeks Rapid Ratification of Deal With EFTA

By Charles Goldsmith. BRUSSELS — Backed by the long-awaited approval of the European Commission's highest court, officials said Sunday that they sought to quickly implement a deal to create a 19-nation free-trade area.

The European Court of Justice, which had struck down an earlier accord between the Community and the seven-nation European Free Trade Association, ruled on Saturday that a revised agreement was compatible with EC law.

The pact calls for a new European Economic Area of 380 million people stretching from the Arctic to the Mediterranean, in which EC rules on the free movement of people, goods and capital will apply.

All this data, however, comes after the surprise news on Friday that consumer prices had risen 0.5 percent in March. Although many experts dismissed this apparent burst of inflation as a quirk caused by ill-

calibrated seasonal adjustments, the bond market still took fright and sold off. The price rise was "not something that was concentrated in any one sector," said David Wynn, chief financial economist at DRJ/McGraw Hill in Lexington, Massachusetts. "The fact that this was so broad-based was disturbing."

IMF Warns Hungary on Budget Gap

BUDAPEST — The International Monetary Fund told Hungary on Sunday to bring its ballooning budget deficit back under control if it wanted the economy to recover. The deficit is not threatening to reignite inflation, which is slowing significantly, Gyorgy Szapary, the IMF's Budapest representative, told bankers. But the deficit, which has to be financed by government borrowing, is keeping up interest rates and thus hampering a recovery.

The Hungarian government forecast a budget deficit of 70 billion forints (\$930 million) for 1992. But in the first quarter alone, the deficit totaled 48 billion forints. One of the main problems facing the Hungarian economy had been a big drop in output over the last two years, which Mr. Szapary blamed the decline on the collapse of regional trade, especially with the former Soviet Union.

The EFTA office in Brussels said the organization would give a reaction to the court ruling on Monday.

EC Seeks Rapid Ratification of Deal With EFTA

Economic Area is very important for the architecture of Europe in the coming years. The EC executive said it hoped the accord would be quickly ratified by all 19 national legislatures so it can take effect at the same time the Community's single market begins next Jan. 1.

The 20-month delay between the launch of negotiations and the positive court opinion may make such a timetable overly optimistic, because it could take more time to win ratification in some countries such as Switzerland.

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Sabena Pays Airlines for Failed Deal

BRUSSELS — Sabena has reimbursed British Airways and KLM Royal Dutch Airlines for the 2 billion Belgian francs (\$59 million) they invested in an alliance plan that later collapsed, President Pierre Godfried said Sunday.

Sabena, which signed an alliance pact with Air France on Friday, said in February that it was being sued by British Airways and KLM over money invested in a planned venture that was canceled at the end of 1990.

Mr. Godfried said Sunday on Belgian television that he could not pay British Airways and KLM at that time. But "we reached a gentlemen's agreement," he said, "and I repeat today, we have no more debts to BA and KLM."

Euromarkets At a Glance

Table showing Eurobond yields for various maturities and currencies, including U.S. \$ 5 yr, U.S. \$ 7 yr, and U.S. \$ 10 yr.

Weekly Sales

Table showing weekly sales for various markets including Chemical, Pharmaceutical, and Consumer Goods.

Libor Rates

Table showing Libor rates for various currencies and maturities, including U.S. \$, Deutsche mark, and Swiss franc.

U.S. Treasury Bonds

Table showing U.S. Treasury bond yields for various maturities, including 10-year, 20-year, and 30-year bonds.

U.S. Consumer Rates

Table showing U.S. consumer rates for various categories, including Total Expenditures and Consumer Spending.

Taiwan's Capital Spigot Shows Signs of Sputtering

TAIPEI — Taiwan's foreign investment plunged 62.5 percent in the first quarter of 1992 to \$281 million, the government said Saturday. Economists said this was due largely to weak economies overseas and rising capital demand for infrastructure projects at home.

The Investment Commission said foreign investment in Taiwan also plunged in the quarter, by 64.5 percent to \$214 million. Rising land and labor costs, the appreciation of the Taiwan dollar and lingering political instability were blamed.

Taiwan had been one of the world's top exporters of capital in the 1980s, but this trend is turning. Growing amounts of Taiwan investment capital are also being diverted to China, which was not aggregated into the commission's figures. The report separately said that it approved in the first quarter 65 projects filed by local companies for indirect investment in China, amounting to \$34.18 billion.

New investment in the United States, the main destination for Taiwan capital, rose 11 percent to \$58 million. But in Malaysia, the favored Asian destination, the figure fell 93 percent to \$24 million.

MUTUAL FUNDS

Large table listing various mutual funds with columns for Name, Assets, and Performance. Includes categories like Domestic Equity, International, and Bond funds.

WALL STREET REVIEW

Table showing Wall Street review data including NYSE Most Active, AMEX Most Active, NYSE Sales, and AMEX Sales.

INTERNATIONAL BusinessWeek

Advertisement for International BusinessWeek magazine, highlighting topics like 'Revolt At General Motors' and 'Will Nissan Get It Right?'.

Advertisement for Herald Tribune newspaper, promoting 'LIVING IN THE U.S.?' and 'NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES'.

CEO: Feeling the Pressure From Boards and Investors

(Continued from first finance page) chairman, chief executive and president, is under pressure from shareholders to div up his job because they say he has too much power.

And others, like Andrew C. Siger, chief executive of Champion International Corp., have been singled out for receiving bonuses year after year, when investors could have done better with Treasury bills than with Champion stock.

The outside directors' coup at GM, a company renowned for hidebound, insular ways, was a surprise, but it, and the actions at other corporations, is part of the shifting balance of power in corporate America. The grasp of the non-filiated chief executive is weakening as corporate boards become independent-minded and institutional investors flex their muscles.

As watchdogs on management, and pressure groups, they can be very effective. Institutional investors like pension funds have the biggest shareholdings in most large companies. Legally, the board's role is to oversee the management of a company on behalf of the owners, the shareholders. And naturally, it is the outside directors, in theory, who are best placed to hold management accountable.

"In America, we've traditionally had John Wayne CEOs, the lone individual with all the power in his hands," said Jay Lorsch, a professor at the Harvard Business School. But the norms in corporate America are changing under pressure from institutional investors and outside directors.

A lot of CEOs are getting very uncomfortable.

John Nash, president of the National Association of Corporate Directors, said not just to the multimillion-dollar pay packets some chief executives were lugging home at the same time they were laying off workers by the thousands, it also stems from the fact that they seemed to be effectively paying themselves. Too often, the chief executives picked the board members, who in turn rubber-stamped huge compensation deals for the chief executive.

"CEO pay is merely the symptom of the larger problem — the lack of accountability in corporate America," said Sarah Teslik, executive director of the Council of Institutional Investors, which advises pension funds with total assets of \$400 billion.

Executive pay may look excessive but, according to big investors and their advisers, the far greater cost of

reaching of ordinary white-collar workers. Their expense accounts are virtually unlimited.

Unlike those of American executives, their pay is almost all non-taxable. "People make too much of this whole thing about compensation," said Harold A. Poling, chairman of Ford Motor Co., when he was challenged on the pay issue during Mr. Bush's visit to Tokyo in January. "If you spend time scrutinizing Japanese pay, you'll discover they are living very nicely."

Few top American executives, however, would trade their own package for a Japanese one. Mr. Poling, for example, got a total of \$1.14 million in pay and other compensation last year, down 6.6 percent from 1990, even though his base pay was unchanged. Japanese auto executives have not been announcing pay cuts lately, but

they get only about half of what Detroit chiefs get. Nor would an American executive trade the traditional security of a top job. These days especially, the tenure of a Japanese executive can be extraordinarily short.

In recent months, many top executives have been demoted or expelled, usually for leading out company money for speculative real estate deals that have gone sour as Japan's over-inflated property prices have returned to earth.

In the latest case, two leading executives of Matsushita Electric Industrial Co. were stripped of their titles and sent to the corporate dungheap for \$1.3 billion in loans that went bad.

The Japanese press reported that the demotions did not follow any call for blood from shareholders, but rather from employees.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, April 10.

Table with columns: Symbol, 100s, High, Low, Close, Net Chg. Lists various OTC symbols and their trading data.

Table with columns: Symbol, 100s, High, Low, Close, Net Chg. Lists various NASDAQ symbols and their trading data.

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(Continued on next page)

WORLD STOCKS IN REVIEW

Amsterdam

The stock market edged slightly higher with the VAX all-share index closing at 206 points, up from 203.80 points a week earlier.

Volume of equities traded rose to a five-month high of 1.1 billion guilders from 2.2 billion the previous week. Kempen & Co. analysts said they expected moderate volume this week and that the market would remain sensitive to developments in Tokyo.

Frankfurt

Share prices posted modest gains as the DAX spot index rose 28.77 points during the week to close at 1,736.07.

Trading on the Frankfurt market was dominated by trends on other markets in the absence of trending financial news in Germany. Volume on the eight German

stock exchanges totaled 32.54 billion Deutsche marks, up from 26.88 billion DM the previous week.

Hong Kong

Share prices closed marginally higher after fluctuating wildly in reaction to the British general election and the performance of the Tokyo exchange.

The Hang Seng index closed at 4,921.11 points, up just 4.41 points from the previous week's finish. Average daily volume was 2.125 billion Hong Kong dollars, up on the previous week's 2.003 billion dollars.

The weakness in Tokyo sent the Hang Seng to its lowest close since late February on Thursday. But share prices soared more than 4 percent in Hong Kong on Friday after the election victory by Britain's Conservative Party.

London

The Conservative victory sent share prices soaring on the London Stock Exchange.

The Financial Times-Stock Exchange 100 Index rose 189.9 points on the week to close at 2,572.60.

On Friday, after it became clear the Conservatives had secured an overall majority, share prices recorded their biggest one-day rise since the recovery from the Black Monday collapse of 1987. The FTSE 100 soared to a high of 2,601 points in early trading Friday. Imperial Chemical Industries rose 6.9 percent and Hanson 6.8 percent on the week.

Privatized utilities made impressive gains after the threat of tighter regulation under a Labor government was lifted. BT PLC rose 7.2 percent, PowerGen gained 15.9 percent and Thames Water added 24.6 percent.

The Straits Times Industrial Index shed 6.15 points during the week to close at 1,380.92 points. Volume hit 151.88 million units, down 8.8 percent from the previous week.

Tokyo

Share prices sank to their lowest levels since 1987 as bank stocks, long-considered overpriced, plunged on heavy selling. The Nikkei index of 225 blue chips lost 709.05 yen, or 3.8 percent, during the week to close Friday at 17,850.66. The broader- based Tokyo Stock Price Index shed 38.09 points to end at 1,282.56.

Volume averaged 299.4 million shares a day, up from 280 million shares the previous week. The Nikkei lost 10.5 percent during the first four days of trading, but rebounded 1,252.51 yen on Friday on short covering and Friday-linked buying.

Despite the late rally, analysts said it may take more time for the market to get out the doldrums since the bank sector problems appear to be lingering. The market will remain volatile and vulnerable to arbitrage trading unless the volume exceeds 500 million shares a day, analysts said.

Banks were hardest hit. Fuji Bank ended the week at 1,340 yen, down from the previous week's 1,500 yen. Sumitomo Bank fell to 1,340 yen from 1,420 and Mitsubishi Bank to 1,500 from 1,720.

Milan

Uncertainty after Italy's inconclusive general election sent share prices lower.

The MIB index lost 16 points or 1.60 percent during the week to close Friday at 986 points.

Volume fell to an average 32 million shares a day from 35 million shares a day.

Paris

Share prices finished higher as the Bourse welcomed the Conservative victory in Britain and shrugged off the weak performance on the Tokyo stock market.

The CAC 40 index gained 1.30 percent during the week to close at 1,974.06 points. The policy speech by the new prime minister, Pierre Berégovoy, was generally well received by the market.

Singapore

Share prices finished broadly lower as the Singapore stock exchange took its cue from the jittery Tokyo market.

Zurich

The Zurich stock exchange paid more attention to signs of a possible easing in Swiss interest rates than to London or Tokyo.

The Swiss Performance Index ended the week at 1,141.19 points, up from 1,133.79 a week earlier. Union Bank gained 80 Swiss francs to 3,790, Credit Suisse put up 40 francs to 1,955 and Swiss Bank Corp. was unchanged at 283 francs.

Heron Aims to Pacify its Bondholders

By Steven Prokesch New York Times Service

LONDON — Heron International, struggling with £1.3 billion (\$2.3 billion) in debt, will be trying this week to persuade bondholders that it is not at imminent risk of financial collapse.

Investors put the bonds into default last week, meaning that the bondholders could demand immediate repayment. But a Heron spokesman stressed that they will not necessarily do so and that none had made such a request. "Nobody is panicking at this point," said Helmut Reincke, a spokesman for Credit Suisse, lead manager for most of Heron's bonds.

Lead managers of the bonds plan to meet in Zurich on Monday in an attempt to coordinate their strategy in dealing with Heron, one of Britain's largest companies not listed on the stock exchange.

At the same time, Heron plans to send financial information to bondholders, hoping to calm them and assure them that they will be treated equitably with bank creditors.

Heron, a diversified real estate company with holdings in the United States, Britain and continental Europe, has been hit hard by the plunge in American property prices and the recession in Britain. With about £850 million in bank

loans and bonds with a face value of about £450 million, Heron expects the negotiations with creditors to take several months.

Gerald M. Ronson, Heron's chairman and co-founder, surprised lenders and bondholders on March 27, when he announced that he was seeking a meeting to re-schedule principal and interest payments. He also suspended trading of Heron's bonds. He met with

That meant that Heron stood to breach some loan covenants by September.

Heron also had a pretax loss of about £100 million in its latest financial year, the first it has suffered in its 27-year history.

Heron is one of Britain's largest homebuilders. Its other businesses, which are mainly in Britain, include car dealerships, service stations, trucking and warehouses.

Although the diversified property company's bonds are in default, no investor has demanded immediate repayment.

officials of 82 banks and lead managers of its bond issues earlier this month.

The five members of the steering committee handling negotiations with Heron on behalf of all the banks include Bank of America and Manufacturers Hanover Bank of America, National Westminster Bank and Barclays Bank are among Heron's large lenders.

The plunge in real estate prices caused Heron's net asset value — or its assets minus its liabilities — to sink to about £135 million in the year that ended March 31 from £385 million the previous year.

In the United States, its office properties include a 50.1 percent interest in Heron Tower, a 144,000-square-foot (13,390-square-meter) building in Manhattan, and Heron Building, a 213,000-square-foot building in Los Angeles. Heron also owns apartment buildings and offices in Texas and about 9,000 acres (3,640 hectares) of land in Sun Valley, Arizona.

Heron was weakened by its disastrous 1980 acquisition of Pima Savings in Tucson, Arizona. Pima rapidly increased its real estate lending in the 1980s but in hundreds of other savings and loans, it

fell into deep trouble by the end of the decade.

After swallowing large losses from Pima, Heron itself took over \$450 million worth of Pima's foreclosed real estate. Although Heron handed Pima over to regulators in 1990, Heron was still stuck with that real estate.

After significant writedowns in the last two or three years, Heron estimates that its American holdings are worth about \$520 million. Heron says it intends to sell about £1 billion worth of real estate, including most of its American properties, over the next seven years in order to put its financial house in order.

Since March 27, when Heron announced that it had requested the meeting with lenders, it has stressed that it does not face a liquidity crisis and has more than £100 million in cash. It says it could have carried on until the end of 1993, when it would have had to make some large debt repayments but was acting now to deal with its difficulties in an orderly manner.

Fears that lenders might panic and bring about Heron's collapse heightened last week, when most of its bonds, which trade on German, Swiss and Luxembourg exchanges, were put into technical default.

BUSINESS BRIEFS

Saudi Arabia Borrows for Arms Deal

MANAMA, Bahrain (Reuters) — Saudi Arabia is borrowing 10 billion dynas (\$2.7 billion) from domestic banks to help pay for its huge Al-Yamamah defense deal with Britain, bankers said Sunday.

Bankers and economists in Riyadh said the Saudi Arabian Monetary Agency told five domestic banks to participate in the 13-month loan, the kingdom's third sovereign credit during the past year. The money is for the Finance Ministry and will cover the kingdom's last £1.5 billion (\$2.6 billion) payment for Al-Yamamah, they added.

Prime Minister John Major of Britain said last week that King Fahd had confirmed the payment for the second phase of the deal, which includes the supply of Tornado aircraft from British Aerospace PLC.

Australian Rate Cut Tied to Inflation

CANBERRA (Reuters) — A cut in Australian interest rates is possible if inflation stays low, Prime Minister Paul Keating said.

Mr. Keating, asked by reporters if rates might be cut, said: "It's a possibility. If inflation remains in its current level of subsidence, then there is some prospect that the real interest rate could come back." Official cash rates were last cut Jan. 8, by 1 percentage point, to about 7.5 percent. The government has predicted that inflation will rise to 3.5 percent in the fiscal year ending in June 1993 from a forecast 2.25 percent rate in fiscal 1991-92.

Daimler-Benz Said to Raise Dividend

HAMBURG, Germany (Reuters) — The weekly news magazine Der Spiegel said Daimler-Benz AG would boost its dividend to 14 Deutsche marks (\$8.62) for 1991 from 12 DM in 1990 because of higher earnings.

The magazine, quoting an internal report, said earnings of car unit Mercedes-Benz AG jumped to 61 billion DM in 1991 from 32 billion DM. Der Spiegel was made available ahead of Monday publication.

Last month, Edzard Reuter, the Daimler management board chairman, said there was a tendency toward paying a higher 1991 dividend. Daimler is expected to publish 1991 results this month.

Keating Gets 10 Years in S&L Case

LOS ANGELES (UPI) — Charles Keating, the former owner of Lincoln Savings & Loan and a symbol of the U.S. thrift scandal, was sentenced to 10 years in prison and fined \$250,000 for securities fraud.

Mr. Keating was convicted in December on 17 charges of defrauding 25,000 investors out of \$268 million through the sale of non-warranted junk bonds. The 10 years imposed Friday was the effective maximum that Superior Court Judge Lance Igo could have levied. Mr. Keating's lawyer, Stephen Neal, said he would appeal the sentence.

Sega to Pay \$33 Million Over Patent

LOS ANGELES (Reuters) — Sega Enterprises Ltd., the Japanese video game giant, said it was found guilty of infringing a U.S. inventor's patent and ordered to pay \$33 million in damages.

The federal judge in the case has the right to treble the award because jurors ruled Friday that the infringement had been deliberate, a lawyer in the case said. Riley Russell, corporate counsel for Sega, said the company would appeal.

The invention involves a technique for displaying simple color images on a video screen through the use of low-frequency audio signals. It is used in creating background scenes in nearly all video game systems.

Russian Computer Hunger Has Suppliers Salivating

MOSCOW — Business is booming for the computer industry in the former Soviet Union, no matter how bad things are for the economy at large. That was the main message to come out of a Moscow computer exhibition last week.

Western companies that are already here "are actually doing better now than they were last year and the Russian companies are a lot stronger," said Esther Dyson, president of the U.S. consultancy EDventure Holdings. "This is the Silicon Valley 20 years ago."

Fully 60,000 people came to the show, and some orders were placed. NCR Corp., the banking computer specialist owned by American Telephone & Telegraph Co., said it signed two large contracts to automate banks. "With the breakdown of the national banks some of our customers had problems four, or five months ago, but business is picking up again," said Willis Dowdlat, NCR sales manager.

NCR won one of the larger orders for computers last September, a \$1.5 billion contract to automate the Russian Savings Bank's 40,000 branches. It also installed Moscow's only automatic cash machine. Most larger Western companies have been doing business in the region for years but last year's relaxation of Western trade restrictions is attracting a second wave of smaller vendors.

Steve Sarich, president of Talus Corp., a Houston-based computer distributor, left the show with a request for a proposal from the office of President Boris N. Yeltsin to provide 2500 NeXT Computer Inc. workstations. "It's like we've been dropped on a different planet and all the Martians love us," Mr. Sarich said.

There are only about 2 million personal computers in the former Soviet Union and thousands of outdated factories and businesses need to be automated.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, April 10.

(Continued)

Table with columns for company names, prices, and market data. Includes companies like T2 Med, T2 Med, T2 Med, etc.

OTC Consolidated trading for week ended Friday, April 10.

Table with columns for company names, prices, and market data. Includes companies like US Long, US Long, US Long, etc.

CHICAGO EXCHANGE OPTIONS

Table with columns for option prices, calls, and puts for various companies and indices.

Option & price Calls Puts

Table with columns for option prices, calls, and puts for various companies and indices.

AMERICAN EXCHANGE OPTIONS

Table with columns for option prices, calls, and puts for various companies and indices.

Option & price Calls Puts

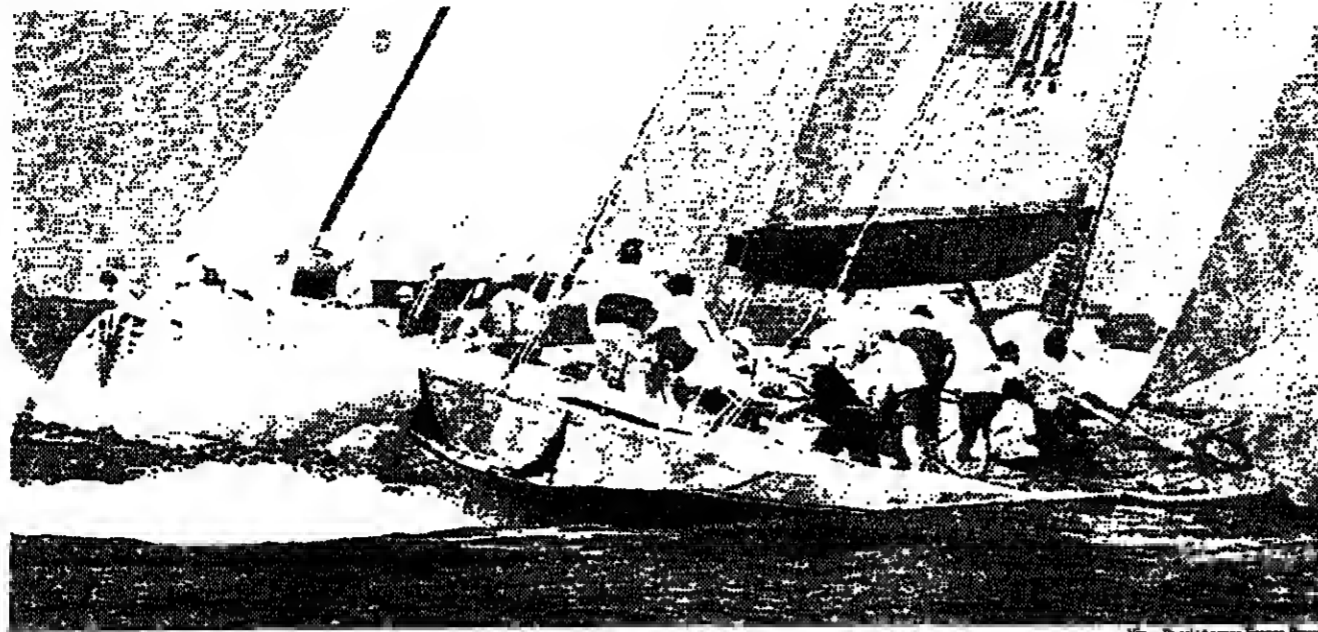
Table with columns for option prices, calls, and puts for various companies and indices.

MONDAY SPORTS

NHL DEAL

After Loss, The Wind Will Decide For Conner

By Angus Phillips
Washington Post Service
SAN DIEGO — It's all up to the weather gods now.



Bill Koch's America3 pulling away from Dennis Conner's Stars & Stripes in a 15-knot breeze to win the race in the defender series.

Conner snatched the lead half-way up the first leg in moderate winds and closed to through the first third of the 20-mile (32.25-kilometer) contest. But with breezes building to 15 knots, a rare fiasco for San Diego, the veteran helmsman Buddy Melges squeezed past Conner at the quarter mark and built a comfortable lead for America3.

Of Gains and Compromise: Settlement Ends NHL Strike

By Joe Lapointe
New York Times Service
NEW YORK — After six months of saber-rattling and a 10-day strike, what exactly did the hockey players' union gain in a settlement with team owners that was reached over the weekend?

SCOREBOARD

Major League Standings
AMERICAN LEAGUE
East Division
Tampa Bay 5 0 1.000

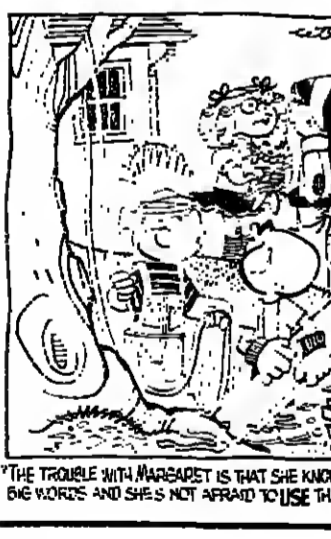
Japanese Baseball
CENTRAL LEAGUE
Hiroshima 4 2 0 .667

WESTERN CONFERENCE
Midwest Division
y-Utah 31 27 .529

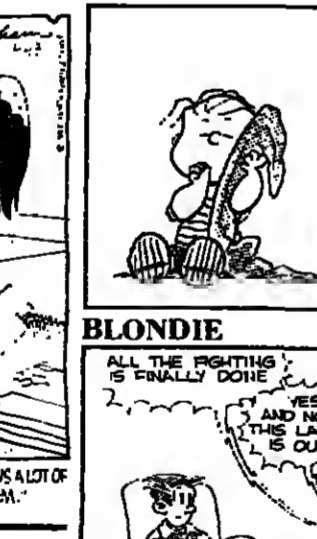
FRIDAY'S RESULTS
Basketball
Boston 109, Milwaukee 99

SOCCER
PSV Eindhoven 3, Willem II 1

DENNIS THE MENACE



PEANUTS



ZIP!



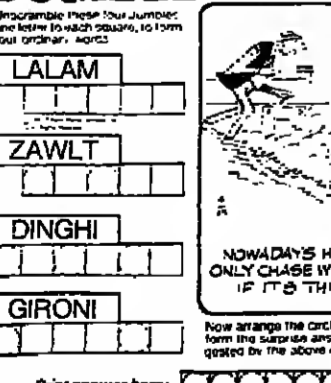
DOG VENTRILOQUISM!



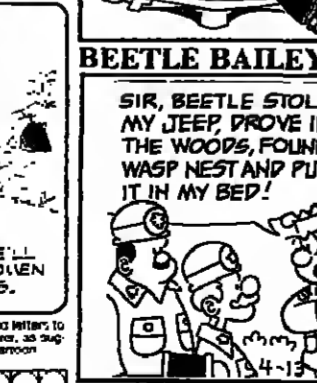
CALVIN AND HOBBES



BLONDIE



BEETLE BAILEY



DOONESBURY



WIZARD of ID



REX MORGAN



GARFIELD



JUMBLE

That scrambled word game
Unscramble the letters to form the words.

LALAM

Now arrange the circles into the shape of the word.

ZAWLT

Now arrange the circles into the shape of the word.

DINGHI

Now arrange the circles into the shape of the word.

GIRONI

Now arrange the circles into the shape of the word.

TO OUR READERS

Because of a computer problem, complete NBA box scores and Major League Baseball line scores for games played Friday were not available.

Advertisement for Jeppia featuring a stylized logo and promotional text.



